

# City of Seattle Voluntary Deferred Compensation Plan Regular Trust Committee Meeting Minutes

Wednesday, September 27, 2023 10:00 am – 12:00 pm  
Hybrid Meeting

**TRUSTEES present:** Jessica Jaeger, Jeff Davis, Dennis Karl, Rick Sheridan, and Tania Torres

**STAFF present:** Michelle Ell, Tony Dozier, and Malia Bonham (Plan Staff), & Gary Smith (City Attorney's Office)

**CONSULTANTS present:** Jayson Davidson and Ted Grigsby from Hyas Group; Mike Monaco and Gavin Parr from Mondress Monaco Parr Lockwood (MMPL); Brittany Smith and Matt Bone from CliftonLarsonAllen (CLA).

**GUESTS present:** Jim Keeler, Sam Wagner, Susan Wilson, and Wendie Arnold from Nationwide. Emory Horvath, Paul Root, and Andrew Robinson.

## BUSINESS

**Opening:** Rick Sheridan, Committee Chair, started the meeting at 10:01 am.

**Introductions:** Rick Sheridan welcomed attendees and asked for introductions.

**Public Comment:** There was no public comment.

**Minutes of March 22, 2023 Meeting:** Rick asked for a review of the meeting minutes.

**MOTION:** Tania Torres moved to approve the minutes. The motion was seconded by Dennis Karl and passed unanimously.

**2022 Audit Results from CliftonLarsonAllen:** Brittany Smith from CLA presented the 2022 audit results. Brittany discussed the process and results of the audit and noted that there was nothing problematic with the plan or financial statements. The audit resulted in an unmodified opinion, which is the highest level of opinion.

**Plan Staff Update:** Michelle informed the committee that Tania Torres and Rick Sheridan will be attending NAGDCA this year. Additionally, Michelle and Ted Grigsby from Hyas Group will be presenting at one of the NAGDCA sessions to discuss the award received by the City at the 2022 NAGDCA conference in Baltimore. Michelle also pointed out that the City received a NAGDCA award this year for the language translation communication plan and are a finalist for the NAGDCA Presidents award.

Michelle shared that Hyas Group has released the recordkeeping RFP and responses are due by end of October. There should be several respondents for the subcommittee to review. Michelle will release an Audit RFP after the recordkeeping RFP responses are received. A subcommittee will need to be established to review the results of the RFP.

**Hyas Group Q2 2023 Performance Review and 2024 Fee Model:** Jayson and Ted presented the Second Quarter 2023 Performance Report and briefly discussed the market conditions and expectations for 2023.

Ted reviewed the performance report and discussed the allocation, cash flow, plan performance, investment performance, plan fees and other elements of the plan. The plan experienced strong growth in Q2, despite negative cash flow, ending the quarter at approximately \$1.65 billion. Total plan fees continue to decrease and ended the quarter at 0.28% (annualized weighted average). Ted shared that investment line-up performed well in the second quarter of 2023 and only the Vanguard US Growth was in violation of the performance criteria in the Investment Policy. The American Funds EuroPacific Growth Fund, Vanguard US Growth Fund and the PIMCO Total Return Fund remain on watch.

The committee reviewed the fee projection provided by Hyas group. Hyas recommended remaining with the same asset-based fee method as it is projected to provide the lowest fee impact to the Plan. Gavin noted the fee is based upon 1.5 consultants.

**MOTION:** Jeff Davis moved the Plan continue with the asset-based fee structure. The motion was seconded by Jessica Jaeger and passed unanimously.

**Nationwide Q2 2023 Report:** Jim Keeler discussed the Nationwide plan overview and noted that there has been an uptick of participants using Roth. Additionally, Nationwide conducted more group meetings than they had in the past due to in-person retirement planning sessions. Susan and her team conducted 818 individual meetings, while experiencing an attendance of 735 individuals to their group meetings. Schwab self-directed brokerage account, also called PCRA, has approximately \$13mm in plan assets over 66 total participants.

**Legal Updates:** Gavin Parr briefly discussed updates to the Secure Act 2.0 provisions, noting that the mandatory Roth catch-up provision has been delayed to 2026, giving plan sponsors and vendors more time to adjust. MMPL is working with Nationwide on other provisions and will have a more thorough discussion with the Committee in November.

**Adjournment:** Rick Sheridan moved to adjourn the meeting. Hearing no objections, the meeting was adjourned at 11:11am.

**Next Meeting:** The next regular meeting is scheduled for Wednesday, November 29, at 10:00 am PT. The meeting will be hybrid via WebEx and a TBD location in Seattle Municipal Tower.



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Jeffrey S. Davis  
Secretary, Deferred Compensation Plan Committee

12/14/2023